

## *ASIAN AMERICANS FOR EQUALITY*

The Impact of Reorganizing the CDBG Program on Asian American  
Communities  
in New York City  
House Subcommittee on Federalism and the Census,  
Committee on Government Reform  
U.S. House of Representatives  
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Good morning, Chairman Turner, distinguished members of the Committee and guests. Thank you for traveling to New York to hear our testimony and see our communities first hand. My name is Christopher Kui and I am the Executive Director of Asian Americans for Equality (AAFE).

I am here today because community-based organizations such as mine are concerned about the future of the Community Development Block Grant program. My colleagues in the field and I are here to fervently advocate for the CDBG program, which has allowed us to utilize the skills, knowledge, and abilities of local communities to strengthen the fabric of our cities.

### **INTRODUCTION:**

Three decades ago, Asian Americans for Equality was born out of a grassroots movement organized to fight for the rights of Asian Americans workers. Since then, our organization has grown and evolved, adapting to the ever-changing landscape of New York and to the needs of successive waves of immigrants who have come to our city to make a better life. Today, AAFE serves more than 20,000 low- and moderate-income individuals and families and employs more than seventy professional staff with expertise in housing counseling, preservation and development, homeownership, immigration services, entitlement assistance, and small business assistance. We now have offices in Chinatown/Lower East Side and Flushing, Queens, and serve the needs of New York's 800,000+ Asian American community.

When AAFE opened its doors in 1974, Chinatown was an insular ethnic enclave. Founded more than 100 years before by immigrants from China, it quickly became the hub of social, cultural, and economic life for New York's Asian immigrant community. Most of the immigrants did not speak English; they had to adjust to an entirely different culture than that which they had left behind. Naturally, they felt compelled to live in Chinatown where they felt more at ease among their own kind. At first the community consisted of working men employed in garment factories, restaurants, and services. The liberalization of immigration laws caused immigration to swell, now allowing wives and family to join the men. The population explosion that resulted brought enormous social problems for the community. In the early days of the organization, volunteers assisted community members with work, housing, and immigration issues.

As time went on more and more people were coming to AAFE for help with housing issues. Living conditions in Chinatown had reached a crisis point. Many local residents still lived in rundown tenement buildings dating from the 19<sup>th</sup> century. Others were crowded into non-residential spaces that were illegally subdivided into tiny rooms. The high demand for living space caused many landlords to ignore housing codes and occupancy standards, and to demand elevated rents and additional fees. As downtown neighborhoods such as SoHo and the Village became fashionable, unscrupulous landlords tried to evict their low-income tenants, sometimes resorting to extreme tactics like harassment and intimidation. In 1984, in response to the increasing need, AAFE was transformed from an all-volunteer group into a nonprofit organization with a full-time staff.

### **CDBG DOLLARS AT WORK**

A very large part of AAFE's work has been possible thanks to funding from the Department of Housing and Urban Development's (HUD) Community Development Block Grant (CDBG) program. CDBG funds have allowed us to

respond creatively and with flexibility to meet the needs of our community. We have been able to provide affordable housing and prevent blight, generate new economic investment, and create a more significant role for communities in the City's decision-making process.

CDBG dollars enabled AAFE to develop more than 500 units of affordable and senior housing. AAFE began developing housing in 1986 with the construction of New York City's first Low-Income Housing Tax Credit project, called Equality Housing. Since then, AAFE's Planning and Development team has leveraged more than \$60 million in financing to **produce housing** for low-income tenants, continuing our efforts to revitalize low-income neighborhoods. Our most recent project, Norfolk Apartments II, was the first low-income project to be developed after 9/11. When the project was announced, more than 10,000 families from around the City submitted application for the 52 units of affordable housing, illustrating the high demand for housing.

AAFE and its affiliate AAFE Community Development Fund have counseled more than 5,000 perspective **homeowners** and have helped secure \$155 million in mortgage financing for 1,200 clients to purchase their first home. Meanwhile, Renaissance Economic Development Corporation, an affiliate of AAFE, has provided affordable loans, counseling and technical assistance to more than 2,500 **small business owners and entrepreneurs** since 1997.

CDBG dollars have been successfully used in the City's anti-abandonment agenda. Initiatives such as the **7A receivership** and **In-Rem** programs, which transferred properties to non-profit community-based housing groups, helped stabilize properties and neighborhoods. Additionally, the **Neighborhood Preservation Consultant Program**, launched in 1995, funded community-based organizations such as AAFE to focus on abandonment prevention activities. The

NPCP has enabled many contracted community-based groups to sustain housing preservation activities, including tenant education, counseling, and organizing.

These programs have helped our clients in very immediate ways. In December 2004, a few days before the Christmas holidays, we received word from an anxious Chinatown resident whose building had had no heat or hot water for more than two months. The tenant, a senior citizen who spoke practically no English, complained that he and his neighbors (largely senior citizens) were fearful, as temperatures dropped below freezing. The tenants had not notified housing authorities for many reasons. Primarily, though, with little English and misapprehensions about the function of government, they were afraid.

Additionally, they were uncertain of their rights confronting an unscrupulous landlord, who might retaliate. AAFE was able to step in immediately. While our social services counselors and attorney advised the tenants on possible action and provided legal assistance, our Deputy Executive Director and Director of Government Affairs contacted local elected officials and government agencies. Our staff convened a meeting of the City housing agencies, the tenants, elected officials, and the owner's representatives on site. Together we walked through the building, assessing conditions and possible repairs. We arrived at an agreement for short-term solution that would allow the tenants to get through the immediate cold emergency, and made plans for a permanent resolution. The tenants had heat and hot water in time for the holidays. Thanks to our CDBG-funded, eviction-prevention program, AAFE was able to overcome the linguistic and cultural barriers that prevented the tenants from getting the assistance they needed.

Moreover, CDBG funding has enabled AAFE to provide **core immigrant services** that will improve the capacity of the Asian American community to address its own needs. AAFE helps new immigrants overcome language and cultural barriers, navigate bureaucracy and red tape, and participate more fully in

American society. Thousands of residents come to AAFE every year for fair housing legal services, eviction-prevention assistance, English-as-a-Second-Language instruction, citizenship education, and assistance with government benefits and entitlements. In conjunction with our Housing and Social Services program, our Advocacy and Community Education program has the task of informing and educating our community to become more fully participating members of American society and help many new immigrants to work with local, state, and federal government agencies on immigration, housing, and quality-of-life issues. Our programs, funded with CDBG dollars, also have strengthened civic participation through naturalization and voter registration drives. In 2004, AAFE and other immigrant groups led a voter-participation campaign that resulted in a 25 percent increase in voter turnout in the core Chinatown area.

The flexibility of CDBG funds has allowed AAFE to respond to emergencies. For example, Immediately after the 9/11 disaster, AAFE's Housing and Legal Services Department was able to address requests for assistance to help guide clients through government agencies, including the Federal Emergency Management Agency (FEMA) and other relief agencies. More than 500 clients were assisted with Medicaid applications in the first months, and 320 emergency applications were filled for assistance in temporary housing and other government services. Meanwhile, as partners in the Lower Manhattan Development Corporation's \$300 million Residential Grant Program, our staff helped thousands of tenants receive housing assistance across Downtown neighborhoods. In addition, CDBG's model of partnering disperse government agencies with non-profits working on the ground allows programs to be targeted to specific populations and their needs. In Chinatown, these characteristics have accounted for successful outcomes.

## **CONCLUSION**

With more than thirty years' experience, AAFE has redoubled its commitment to help new immigrants achieve the American Dream. Our role is to further self-empowerment by assisting our constituency to develop the skills and act on the opportunities that will improve their own lives. Not only has CDBG allowed us to preserve and rebuild the physical environment, it has furnished the tools to educate and inform our community. Thanks to the flexibility and variety of uses of CDBG funds, the program has allowed us to successfully target the needs of immigrant populations. As grantees we have great latitude in the type of projects and activities in which we can engage. In fact, this latitude has helped AAFE serve the role of "social firehouse," responding to a crisis quickly and effectively. As such, AAFE has been able to undertake myriad activities ranging from the "bricks-and-mortar" of constructing affordable housing to offering services that educate new immigrants about the rights and responsibilities of citizens. Thanks to the Community Development Block Grant program, we can facilitate the Asian American community's integration into American society.

Thank you.